

HB2177 – HEALTH INSURANCE PREMIUM TAX CREDIT
Arizona Department of Revenue
SUMMARY OF PROCESS

1. Individual or small business submits an application to ADOR.
2. ADOR determines if there is sufficient money under the credit limitation to allow the individual or small business to participate.
3. If there is insufficient money under the credit limitation:
 - a. ADOR notifies the applicant that there is insufficient money at this time to issue a Certificate of Eligibility. ADOR also tells the applicant that their request has been logged in and if money under the limitation becomes available during the calendar year, ADOR will then issue a Certificate of Eligibility.
 - b. ADOR also notifies the applicant that if sufficient money does not become available under the limitation during the calendar year, and the applicant does not receive a Certificate at some point during the calendar year, the applicant must reapply in the following calendar year.
4. If there is sufficient money under the credit limitation, ADOR will send the applicant a Certificate of Eligibility.
5. The applicant then takes the Certificate of Eligibility to the insurance company representative and applies for health insurance. There will be a specific date on the Certificate of Eligibility by which the applicant must apply for health insurance coverage. If health insurance coverage is not applied for by that date, the Certificate expires.
6. The insurance company has 90 days from the date the Certificate of Eligibility was issued to notify the applicant that health insurance has been obtained¹. Failure to obtain insurance within 90 days from the date the Certificate was issued results in expiration of the Certificate.
7. No later than the 15th day of the month following commencement of insurance, the health insurance company must notify ADOR of coverage. The health insurance company must use the form “Notification of Health Insurance Coverage” or a duplicate of this form created on the insurance company’s own system.
8. ADOR will continue to reserve the amount noted on the Certificate of Eligibility according to the following timeline:
 - a. Coverage must be obtained by the 90th day after issuance of the Certificate of Eligibility.
 - b. Recognizing that commencement of insurance coverage may occur in the month after obtaining coverage, ADOR will wait 170 days after issuing the Certificate before considering the Certificate expired due to no notification from an insurance company of health insurance commencing.

¹ Obtained does not necessarily mean commenced. Health insurance may be obtained in one month but it may not commence till the following month.

- i. Certificate issued on October 31. 90-day deadline is January 29. Insurance coverage may not begin until March 1. Report from insurance company is not due until April 15. This is 166 days.
- 9. After receiving the Notification of Health Insurance Coverage from the health insurance company, ADOR will send the health insurance company a Credit Certificate. The amount shown on the Credit Certificate may vary from what was shown on the Certificate of Eligibility. This is because the type of insurance ultimately acquired by the applicant (single vs. dependent vs. family or single vs. group or 10 employees that becomes 6 employees) may change between issuance of the Certificate of Eligibility and actual acquisition of coverage.
- 10. The Certificate of Eligibility is effective for one year from commencement of coverage. 60 days prior to the end of that year, ADOR will contact the applicant to see if they continue to meet the qualifications. If so, the Certificate will be reissued. The Certificate may be reissued twice after issuance of the original Certificate.